

Message Text

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FM USMISSION IAEA VIENNA

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C O N F I D E N T I A L IAEA VIENNA 7288

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E.O. 11652: GDS

TAGS: IAEA

SUBJECT: MANAGEMENT DISPUTE WITHIN IAEA SAFEGUARDS DEPARTMENT

1. SAFEGUARDS OPERATIONS DIVISION DIRECTOR NAKICENOVIC HAS, OVER LAST THREE MONTHS, GENERATED FLARE-UP OF LONG SMOLDERING AND BASIC DISAGREEMENT (INCOMPATIBILITY) BETWEEN HIMSELF AND HIS IMMEDIATE SUPERVISOR, INSPECTOR GENERAL ROMETSCH. NAKICENOVIC HAS NOW BROUGHT THIS DISAGREEMENT DIRECTLY TO THE ATTENTION OF US, UK AND USSR RES REPS, DIRECTOR GENERAL EKLUND, AND ALL SENIOR SAFEGUARDS DEPARTMENT STAFF MEMBERS. THE VEHICLE FOR HIS CAMPAIGN HAS BEEN SEVERAL SPECIALIZED AND GENERAL INTERNAL IAEA MEMORANDA ADDRESSED FROM HIMSELF TO ROMETSCH OR EKLUND, USUALLY WITH WIDESPREAD INTERNAL DISTRIBUTION. HE HAS PROVIDED MANY, IF NOT ALL, DOCUMENTS DURING THE COURSE OF PERSONAL VISITS TO THE US, UK AND USSR RES REPS.

2. MISSION IS CONCERNED THAT SOME OF THIS INTERNAL IAEA "DIRTY LINEN" MAY FIND ITS WAY INTO HANDS OF ANTI-NUCLEAR ELEMENTS WHO, NOT KNOWING OR CARING ABOUT OTHER, POSSIBLY MORE OBJECTIVE, VIEWPOINTS, WOULD PUBLICLY OVERPLAY THE PROBLEM IN ORDER TO DISCREDIT IAEA SAFEGUARDS. EKLUND, ROMETSCH, AND UK AND USSR RES REPS SHARE THIS CONCERN.

3. HOW EKLUND PLANS TO HANDLE THIS SITUATION IS NOT CLEAR INASMUCH AS HE HAS BEEN ABSENT FROM VIENNA MOST OF THE SUMMER.

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HOWEVER, DURING BRIEF RETURN WEEK OF AUGUST 2, HE WAS

CLEARLY UPSET WITH NAKICENOVIC'S HAVING BROUGHT THE PROBLEM TO THE ATTENTION OF US, UK AND USSR RES REPS. ALTHOUGH EKLUND HAS BEEN AWARE OF THE DIFFERENCES OF VIEW OF NAKICENOVIC AND ROMETSCH FOR SOME TIME NOW, HE HAS NOT SEEN FIT TO DIRECTLY INVOLVE HIMSELF IN A RESOLUTION OF WHAT CLEARLY IS A MAJOR MANAGMENT PROBLEM IN THE IAEA'S MOST SIGNIFICANT PROGRAM. BASED ON COMMENTS OF MANY SAFEGUARDS STAFF MEMBERS, THIS CONFLICT HAS HAD A BAD EFFECT ON THE MORALE OF THE ENTIRE DEPARTMENT.

4. NAKICENOVIC CITES SEVERAL AREAS OF DISAGREEMENT INCLUDING
A) ORGANIZATION OF THE DEPARTMENT OF SAFEGUARDS AND INSPECTION (ALTHOUGH HE HAS NOT PROPOSED CLEARLY PREFERABLE ALTERNATIVES);
B) RECRUITMENT OF NEW INSPECTORS (JUST RECENTLY NAKICENOVIC HAS BEEN URGING RECRUITMENT OF MORE INSPECTORS); C) THE PRACTICE OF SETTING ACTUAL ROUTINE INSPECTION EFFORT (ARIE) LIMITS IN SUBSIDIARY ARRANGEMENTS WITH STATES, WHICH EFFORT IS CONSIDERABLY BEING THAT PERMITTED BY INFCIRC/153; D) THE APPARENT POLICY OF REDUCING IAEA INSPECTION EFFORTS IN SITUATIONS WHERE GOVERNMENT OF SAFEGUARDED COUNTRY HAS STRONG DOMESTIC SAFEGUARDS PROGRAM (I.E., THE ARIE-1/ARIE-2 ISSUE. A TECHNICALLY SOUND BASIS FOR DETERMINING SUCH REDUCTION HAS NOT BEEN DEVELOPED.);
E) SPECIAL PREPARATIONS FOR APPLYING NPT SAFEGUARDS IN EURATOM AND JAPAN; F) EVALUATIONG THE EFFECTIVENESS OF CURRENT OPERATIONS (FOR BOTH ISSUES, E & F, NAKICENOVIC WANTED TO SET UP WORKING GROUPS IN THE DEPARTMENT TO TRY TO DEAL WITH THE ISSUES. ROMETSCH HAS APPARENTLY REFUSED.); AND G) LACK OF UTILITY OF THE CURRENT ADP SYSTEM FOR MEETING INSPECTORS' NEEDS. (THIS PROBLEM IS RAPIDLY BEING RESOLVED BY THE LARGE EFFORT INSTITUTED BY EKLUND LAST YEAR, INCLUDING THE FORMATION OF A NEW SUB-ORGANIZATION WITHIN THE SAFEGUARDS AND INSPECTION DEPARTMENT.) NONE OF THESE PROBLEMS ARE NEW, EITHER TO THE MISSION, ROMETSCH, OR ANYONE WHO HAS FOLLOWED IAEA SAFEGUARDS OVER THE PAST YEARS.

5. IN MISSION VIEW, THESE ISSUES ALL ARISE BASICALLY OUT OF TWO FUNDAMENTAL PROBLEMS OF WHICH ROMETSCH IS AND HAS BEEN FULLY AWARE AND WHICH CURRENTLY UNDER STUDY. THE FIRST IS THE INEVITABLE UNCERTAINTY AND INDEFINITENESS OF THE SAFEGUARDS OBJECTIVES AND OPERATIONS. IT IS THE PROBLEM OF TRANSLATING GENERAL SAFEGUARDS OBJECTIVES INTO SPECIFIC, CONCRETE ACTIONS
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BY INDIVIDUAL INSPECTORS; AND THIS IS AN AREA WHERE NEW TECHNOLOGY AND NEW INTERNATIONAL RELATIONSHIPS AND PERCEPTION OF SOVEREIGNTY MUST EVOLVE WITH A COMPLEX INTERDEPENDENCY. THE SECOND FUNDAMENTAL PROBLEM IS WHETHER THE RESOURCES ARE SUFFICIENT AND HOW THE AVAILABLE RESOURCES SHOULD BE MOST EFFECTIVELY DEPLOYED, E.G., SHOULD THERE BE MORE INSPECTORS, MORE TECHNOLOGICAL DEVELOPMENT, MORE IN-HOUSE EVALUATION AND ANALYSIS, ETC?

6. THERE ARE NO EASY ANSWERS. THERE ARE MANY COMPLEX AND COMPETING PRESSURES WHICH BEAR ON THE EVOLUTION OF THE IAEA'S SAFEGUARDS SYSTEM, AND THERE IS A POSSIBILITY OF HONEST DIFFERENCES OF OPINION AS TO HOW TO RESPOND TO THE PRESSURES. NAKICENOVIC HAS, IN THE PAST FEW MONTHS, DECIDED TO MAKE KNOWN HOW HE WOULD DEAL WITH THE PROBLEMS, IN CONTRAST WITH HOW ROMETSCH AND, IN SOME CASES, ELUND APPEAR TO BE DEALING WITH THEM. HE HAS, IN THE PAST SEVERAL YEARS, MADE HIS DIFFERENCES OF OPINION KNOWN ON SOME INDIVIDUAL MATTERS, BUT NOW HE SEEMS TO HAVE COME TO SOME CULMINATION POINT AND IS GOING ALL-OUT TO HAVE CHANGES MADE. HE IS AWARE THAT ONE OF THE CHANGES MAY BE THAT HE BE ASKED TO RESIGN. HE HAS SOUGHT TO HAVE MEETINGS AMONG EKLUND, ROMETSCH AND HIMSELF IN THE LAST TWO MONTHS, BUT SO FAR WITHOUT SUCCESS.

7. IT IS MISSION'S VIEW THAT A) ROMETSCH IS, AND HAS BEEN, FULLY AWARE OF THE BASIC PROBLEMS AND IS TRYING TO WORK ON THEM IN WHAT APPEARS TO US TO BE A RELATIVELY OPEN, OBJECTIVE MANNER; AND B) NOTHING NEW HAS BEEN REVEALED DURING NAKICENOVIC'S PAST THREE MONTHS' EFFORT, EXCEPT THE INTENSITY OF HIS OWN RESOLVE TO GET SOME CHANGES MADE. MISSION ALSO NOTES THAT THE TERMS OF OFFICE OF ALL THREE PRINCIPALS IN THIS MATTER--EKLUND, ROMETSCH, AND NAKICENOVIC--ARE PRESENTLY SCHEDULED TO EXPIRE IN FALL OF 1977.

8. WE SEE THE PROBLEM CREATED BY NAKICENOVIC'S RECENT ACTIONS THEN AS CHIEFLY AN IAEA MANAGEMENT PROBLEM WHICH HAS A HARMFUL EFFECT ON EFFICIENCY AND EFFECTIVENESS OF THE IAEA'S EVOLVING SAFEGUARDS PROGRAM. IT IS NOT AN INHERENT PROBLEM OF THE SAFEGUARDS SYSTEM ITSELF. WITH PROPER MANAGEMENT, THE TECHNICAL AND INTERNATIONAL POLICY PROBLEMS OF DEVELOPING IAEA SAFEGUARDS CAN BE DEALT WITH IN AN ORDERLY, POSITIVE WAY.
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9. IN LIGHT OF THE SITUATION AT HAND, THE IMPORTANCE OF THE INTERNATIONAL SAFEGUARDS PROGRAM AND THE COMPLEXITY OF DEVELOPING THAT PROGRAM IN THE MOST EFFECTIVE MANNER MAKE IT IMPERATIVE THAT A GREAT DEAL OF EFFORT BE PUT INTO FINDING THE BEST POSSIBLE REPLACEMENTS FOR ANY DEPARTING PRINCIPALS.

10. IN MEANTIME, DG EKLUND HAS GIVEN ME ASSURANCE HE WILL BE MORE INVOLVED IN THE PROBLEM AND FIND A SOLUTION WHICH WILL CONTRIBUTE TO MOST EFFECTIVE POSSIBLE AGENCY SAFEGUARDS. STONE

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